

April 15, 1996--AM			
Routing	Initial/Date	Routing	Initial/Date
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UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240
April 11, 1996

In Reply Refer To:
3102 (310)
Reference to
IB 92-298

EMS TRANSMISSION 4/12/96
Instruction Memorandum No. 96-91
Expires: 9/30/97
To: All SD's

Supersedes
IM 96-38

From: Director

Subject: Entities in Noncompliance with Section 5102(g) of the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (Reform Act)

DISTRIBUTION: All State Office Fluid Minerals Adjudication Team Members

BACKGROUND/ISSUE: Section 5102(g) of the Reform Act (Section 17(g) of the Mineral Leasing Act of 1920) requires that the Bureau of Land Management (BLM) not issue oil and gas leases or approve the assignment of oil and gas leases to any entity that has failed or

refused to comply with reclamation requirements and other standards established.

This Instruction Memorandum (IM) supersedes all previous IM's that listed entities in violation of

this provision of the Reform Act, including IM 96-38, dated January 25, 1996, that listed

eight entities in violation of the Reform Act Section 5102(g) reclamation requirements. This

IM transmits an updated list of entities (9) that are not in compliance with Section 5102(g) of the Reform Act (Attachment 1).

The entities on the attached list were submitted by the BLM Utah, Montana, and Wyoming

State Offices. Using various sources, including the Directory of Corporate Affiliations and

the most recent "Standard Corporate Descriptions," each lessee was examined to identify any parent company, subsidiary, affiliate, or similarly-related entity.

POLICY: To implement the requirements of 43 CFR 3102.5-1(f), each BLM State Office is required to NOT issue any oil and gas lease and NOT approve any oil and gas lease transfer

to any entity shown on the current list commencing with the effective date of the violation as specified. When an entity is identified as in noncompliance with the regulations and law, the BLM Field Offices are to report the matter to their appropriate State Office. The State

Office is, in turn, to immediately notify the Washington Office Use Authorization Team (WO-310) in writing, at the contact indicated below.

IMPLEMENTATION: If a lease offer has been made by any entity on the attached list, the offer must be rejected. In the event of improper rejection, i.e., the entity can submit conclusive evidence of compliance with Section 5102(g) of the Reform Act, the rejection decision is to be vacated and the lease offer reinstated, with its priority restored, and appropriately processed. In this way, unnecessary appeals can be avoided. Transfers of record title interest or of operating rights are **not** to be approved to any name appearing on the attached list.

When noncompliance under Section 5102(g) of the Reform Act ends, the WO-310 must be notified immediately by the State Offices as to the date the noncompliance ended. The Section 5102(g) reclamation violation list will be updated accordingly and transmitted by an IM to all State Offices.

All State Offices are to ensure that this reclamation violation list is made available to all BLM Field Office oil and gas personnel. The list will be updated as new entities are added and the updated list will be transmitted by an updated directive.

In accordance with the Reform Act Section 5102(g) requirements, before inclusion of any entity on this list, each entity (including each individual identified as an officer) must be notified by certified mail of the effective date when the entity failed or refused to comply with the reclamation requirements. The entity is to be advised that no oil and gas leases or transfers of lease interests will be granted to any person, corporation, association, or any subsidiary, affiliate, or person controlled by or under common control with such entity until the BLM authorized officer has determined that full compliance with the reclamation requirements has occurred. AU BLM offices should also refer to Information Bulletin No. 92-298, dated March 9, 1992, with respect to individuals and officers of entities that may be involved in the reclamation violation requirements of the law.

COORDINATION: It is important that all Field Office oil and gas personnel that are involved in on-the-ground monitoring of oil and gas operations, maintain close coordination with their State Office personnel concerning entities in noncompliance with the reclamation requirements of Section 5102(g) of the Reform Act. The Field Office oil and gas personnel are important in the documentation process that is required to identify the commencement and end of noncompliance events for entities that are included or need to be included on the Reform Act Section 5102(g) reclamation violation list. In turn, all State Offices are to coordinate with the WO-310, Fluids Group, Use Authorization Team, to help ensure that this information can be timely and consistently transmitted to all BLM offices nationwide to meet the Reform Act requirements.

CONTACT PERSON: Comments and questions may be addressed to Lois Mason, WO-310, Fluids Group, Use Authorization Team, telephone (202) 452-0343.

Signed
W. Hord Tipton
Assistant Director
Resource Use & Protection

Authenticated
Robert M. Williams
Directives Team, WO530

1 Attachment

1 - List of Entities in Noncompliance with Section 5102(g) of the Reform Act (1 p)

**List of Entities in Noncompliance with Section 5102(g) of the
Federal Onshore Oil and Gas Leasing Reform Act of 1987
(Section 17(g) of the Mineral Leasing Act of 1920, as amended)**

APRIL 1996

<u>Company</u>	<u>Officers</u>	<u>Effective Date</u>
Williams County Oil Co.	Robert E. Hanson - Pres. Bradley F. Hanson - Vice Pres. Suzanne F. Hanson - Treasure	Sept. 4, 1987
Lab Energy, Inc.	Larry Lynn - Pres. Arlon G. Jacobs - Vice Pres. Warren Jacobs - Vice Pres. Bert Hunt - Vice Pres. Garry Schwendiman - Sec.-Treas.	March 8, 1996
Rockwell Oil Company	Jay B. Buzzo - Pres. Virgil E. Van Cott - Vice Pres.	June 29, 1988
Mingo Oil Producers, Inc.	Michael Strand - Managing General Partner	Jan. 31, 1991
Daniel C. Wychgram		Jan. 31, 1991
Anco Operating Co.	Norman McKinney - Pres.	July 1, 1993
Bob Dennis		July 1, 1993
Blackford Energy Company	Barbara R. Blackford - Officer Rodney G. Blackfrod - Officer Sarah B. Blackford - Officer	October 3, 1995
Christian F. Murer		September 20, 1995

Attachment 1